

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

DIGITAL MEDIA SOLUTIONS, LLC,

Plaintiff,

V.

SOUTH UNIVERSITY OF OHIO, LLC, *et al.*,

Defendants.

CASE NO. 1:19-CV-00145

JUDGE DAN AARON POLSTER

MAGISTRATE JUDGE THOMAS
M. PARKER

**REQUEST OF STUDIO ENTERPRISE MANAGER, LLC
TO STAY HLC STUDENT LOAN FORGIVENESS**

On December 5, 2019, the Court issued an order (the “Bar Order”) (Docket No. 501) approving the motion (Docket No. 449) requested by Studio Enterprise Manager, LLC (“Studio”) on behalf of South University – Member, LLC (collectively with all of its direct and indirect subsidiaries “South University”) and The Arts Institutes International, LLC (collectively with all of its direct and indirect subsidiaries the “Arts Institutes”) that offered to provide millions of dollars of relief to students and employees that could not be satisfied by the Receivership Entities (as defined in the Motion).

As has been amply briefed and demonstrated to the Court, none of Studio, South University or the Arts Institutes could possibly be legally required to provide any of these benefits. Nonetheless, South University or the Arts Institutes attempted to do the right thing for these students and employees.

As was clearly articulated in the Motion (and supplements thereto), the willingness of South University and the Arts Institutes to provide the millions of dollars of benefits to students and employees was conditioned on the approval of the Bar Order to put an end to the senseless,

wasteful and inappropriate objections and interference by parties and non-parties to the absolute detriment of the affected students and employees.

Unfortunately, it seems that the Settlement Administrator Thomas J. Perrelli (“Perrelli”) (Docket No. 511), Intervenor Emmanuel Dunagan, Jessica Muscari, Robert J. Infusino, and Stephanie Porreca (“Dunagan Intervenor”) (Docket No. 511) and non-parties, Illinois and Colorado Attorneys General (Docket No. 513) and Megan Tuyls and National Student Legal Defense Network (Docket No. 514) are prepared to deprive the thousands of students and employees from receiving the generous benefits offered by South University and the Arts Institutes.

The Court has requested (Docket No. 516) that, on or before January 13, 2020, Studio and the Receiver file a response to the motions filed by the intervenors and non-parties listed in the prior paragraph and Studio will do so.

While the Bar Order originally proposed that Studio would send out notices to the HLC Students within 30 days of the Bar Order, it is unclear at this point whether the HLC Student Loan Forgiveness is still viable given the motions filed to date. Consequently, Studio requests that the Court stay any further action on the HLC Student Loan Forgiveness, in particular the sending of notices, until a final resolution of the motions. Sending notices to thousands of students, which may become moot or materially altered by the outcome of the motions, will be extremely costly and unduly burdensome.

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January 3, 2020

Respectfully submitted,

/s/ M. Colette Gibbons

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CERTIFICATE OF SERVICE

I hereby certify that on January 3, 2020 a copy of the foregoing Request of Studio Enterprise Manager, LLC to Stay HLC Student Loan Forgiveness was filed electronically. Notice of this filing will be sent to all parties by the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ M. Colette Gibbons

M. Colette Gibbons (0003095)